

Message Text

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PAGE 01 ISLAMA 06755 030417Z

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ACTION NEA-10

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E.O. 11652: N/A

TAGS: EGEN, CIEC, PK

SUBJECT: BHUTTO'S PROPOSAL FOR A THIRD WORLD SUMMIT

CONFERENCE: CIEC

SUMMARY: ACTING DCM AND EMBOFF CALLED ON ADDITIONAL FOREIGN SECRETARY NIAZ NAIK FOR A TOUR D'HORIZON ON THE INTERNATIONAL ECONOMIC SCENE. NAIK REITERATED THE SENTIMENTS OF DISCOURAGEMENT AND FRUSTRATION VOICED BY OTHER GOP OFFICIALS ON THE PACE OF CIEC IN PARTICULAR AND ECONOMIC DISCUSSIONS BETWEEN DEVELOPED AND DEVELOPING COUNTRIES IN GENERAL. HE SAID THAT PRIME MINISTER BHUTTO'S CALL FOR A THIRD WORLD ECONOMIC SUMMIT CONFERENCE WAS THE RESULT OF THIS DISCOURAGEMENT. HE SAID THAT THE PRIMARY PURPOSE OF SUCH A SUMMIT WOULD BE (A) TO GENERATE MORE VIGOROUS OPEC ASSISTANCE FOR THE NON-OIL PRODUCING LDCS AND (B) TO DEVISE AN AGREED

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PAGE 02 ISLAMA 06755 030417Z

STRATEGY FOR THE LESS DEVELOPED COUNTRIES TO ADVANCE

THEIR ECONONOMIC NEEDS. END SUMMARY.

1. NAIK SAID THAT THE GOP WAS DISHEARTENED BY THE SLOW PACE OF INTERNATIONAL ECONOMIC DISCUSSIONS DURING THE PAST SIX MONTHS. PAKISTAN HAD GONE TO CIEC WITH HIGH HOPES, BUT DISCUSSIONS THUS FAR HAD BEEN ALMOST EXCLUSIVELY ANALYTICAL, AND WHAT WAS NEEDED WAS CONCRETE DECISIONS. HE SAID THAT THE GOP WOULD BE PUSHING FOR CONCRETE NEGOTIATIONS DURING THE SECOND HALF OF CIEC. HE MENTIONED IN THIS REGARD THE GOP'S DISSATISFACTION WITH THE LANGUAGE FROM THE MEETING OF THE CIEC CO-CHAIRMEN DESCRIBING THE WORK PROGRAM FOR CIEC IN THE MONTHS AHEAD. ALTHOUGH THIS STATEMENT SPOKE OF "CONCRETE" RESULTS, NAIK FELT THAT IT WAS HEDGED ABOUT WITH SO MANY QUALIFICATIONS AS TO BE ALMOST MEANINGLESS. THE PAKS STILL CONSIDERED PARIS TO BE A "VERY CRUCIAL FORUM," BUT THEY WANTED THE CONFERENCE TO MAKE SPECIFIC RECOMMENDATIONS AND GIVE SPECIFIC ENDORSEMENTS ON THE PROPOSALS WHICH HAD BEEN MADE IN THE VARIOUS COMMISSIONS.

2. NAIK REITERATED THE JUDGMENT OF OTHER PAK OFFICIALS WE HAD SPOKEN TO THAT UNCTAD HAD BEEN A "FAILURE." IT HAD STARTED OFF WITH AN ENCOURAGINGLY HIGH LEVEL OF REPRESENTATION FROM THE DEVELOPED COUNTRIES, ALTHOUGH IT HAD BEEN A POOR SHOW ON THE PART OF THE HOST GOVERNMENT. SECRETARY KISSINGER'S PROPOSALS, ESPECIALLY IN THE TECHNOLOGY AREA, HAD BEEN "VERY GOOD." BUT AS THE CONFERENCE WENT ON, THE PAKS HAD FELT THAT THE DEVELOPING COUNTRY REPS WERE NOT PURSUING THE PROPOSALS THEY MADE WITH THE SAME ENERGY THAT THEY HAD STARTED OUT WITH. IN ANY CASE, HE FELT THAT THE RESOLUTIONS PASSED BY UNCTAD DID NOT ACCOMPLISH MUCH.

3. NAIK AGREED THAT SOME WELCOME FINANCIAL MEASURES HAD BEEN IMPLEMENTED, PARTICULARLY BY THE IMF. PAKS FELT, HOWEVER, THAT WHEN COMPARED WITH THE OVERALL BALANCE OF PAYMENTS NEEDS OF PAKISTAN AND OTHER MSA COUNTRIES, THESE MEASURES WERE WOEFULLY INADEQUATE. HE SAID THAT THE PAKS ALSO FEARED THAT THESE ACCOMPLISH-

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PAGE 03 ISLAMA 06755 030417Z

MENTS MIGHT BE MAKING THE WESTERN COUNTRIES COMPLACENT ABOUT THE NEED FOR PROGRESS IN OTHER AREAS.

4. BHUTTO'S CALL FOR A THIRD WORLD SUMMIT CONFERENCE WAS MADE AGAINST THIS BACKGROUND, HE SAID. THE PRIME MINISTER FELT THAT IT WAS IMPORTANT TO HAVE THIRD WORLD LEADERS MEET "AT THE HIGHEST POLITICAL LEVEL" AND DECIDE ON A STRATEGY FOR DEALING WITH THEIR

COMMON ECONOMIC PROBLEMS. THE PAKS HOPED FOR PARTICIPATION BY ALL DEVELOPING COUNTRIES, NOT JUST THE MSAS. THE STRATEGY TO BE SOUGHT WOULD OF COURSE INCLUDE SOME ELEMENTS OF PRESSURE ON THE DEVELOPED COUNTRIES, ALTHOUGH NAIK WAS CAREFUL TO STATE THAT THE PURPOSE OF THE CONFERENCE WAS "NOT CONFRONTATIONAL." IT WOULD ALSO INCLUDE A PROGRAM OF MUTUAL ASSISTANCE WITHIN THE LESS DEVELOPED COUNTRY GROUP. NAIK MENTIONED POSSIBLE TRADE CONCESSIONS AND TRANSFER OF TECHNOLOGY AMONG THE LDCS AS EXAMPLES.

5. MOST IMPORTANTLY, THE SUMMIT CONFERENCE WOULD INCLUDE AN EFFORT TO BRING THE OPEC COUNTRIES BACK TO THE LDC FOLD. NAIK WAS LESS EXPLICIT THAN OTHERS HAVE BEEN IN TALKING ABOUT THE OPEC COUNTRIES "SELL-OUT" TO THE INDUSTRIALIZED COUNTRIES, BUT HE SPOKE FORCEFULLY OF THE NEED TO EDUCATE THEM ABOUT THE PLIGHT OF THE POORER LDCS. HE SAID THAT THE OPEC COUNTRIES MUST BE BROUGHT TO REALIZE THAT PAKISTAN AND THE OTHER NON-OIL LDCS "COULD NOT LIVE ON CHARITY FOREVER," AND THAT THE OPEC COUNTRIES OWED THEM SOME KIND OF SPECIAL CONSIDERATION IF THE NON-OIL LDCS WERE TO PAY THE HIGH PRICES THEY NOW CHARGE FOR THEIR OIL.

6. PRACTICAL DETAILS OF THE SUMMIT PROPOSAL ARE EVIDENTLY STILL VERY VAGUE. NAIK MENTIONED THE POSSIBILITY THAT THIS CONFERENCE MIGHT BE HELD AS A FOLLOW-ON TO THE G-77 MINISTERIAL MEETING PLANNED FOR LATE 1976, BUT HE THEN ALSO SPOKE MORE GENERALLY OF TRYING TO HOLD IT WHEN THE TIME SEEMED TO BE PROPITIOUS. THE CONFERENCE NEED NOT BE HELD IN PAKISTAN; INDEED, NAIK DOUBTED THAT PAKISTAN HAD THE FACILITIES TO ACCOMMODATE A MEETING OF THE SIZE LIMITED OFFICIAL USE

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PAGE 04 ISLAMA 06755 030417Z

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